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Major News Releases and Speeches

July 29 - Aug. 5, 1983

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U.S. Department of Agriculture • Office of Governmental and Public Affairs

**Prepared for delivery by Secretary of Agriculture John R. Block
before the American Soybean Association, Nashville, Tenn., Aug. 1.**

It's a good feeling to be here in Nashville with you. I say that not only because of the many friends I see here today, but also because you represent a strong and positive force in American agriculture.

With a thousand acres in soybeans myself, I appreciate why this industry has grown so rapidly and has achieved such a dominant role—not only in American agriculture, but also in world economics.

As you well know, we're at a crossroads in farm programs in several commodities. The dairy industry has nearly smothered itself with regulated pricing, overproduction and artificial controls.

Feed grains and cotton are tottering on the brink of a similar catastrophe. Other commodities also have felt the sting of too many self-imposed government regulations.

The soybean industry, however, stands out for its wisdom in rejecting those kinds of government programs that stifle the benefits of a free market enterprise.

I commend you for resisting the temptation to rely on government programs. I also applaud your aggressive efforts to develop both new markets for soybeans, and new uses for the products produced from them.

Most of all, you are to be commended for doing it yourselves—through your checkoff program—instead of asking taxpayers to finance it for you.

Those who have questions about checkoff programs might want to examine the Chase Econometrics study your association financed. It documents how your export promotion efforts have been a factor in increasing soybean prices.

Not only that, but those efforts have increased the sale of soybeans an average of 2.3 percent each year at those higher prices. That, in turn, raised soybean farmers' gross incomes some \$57.50 for each checkoff dollar invested.

I'm not about to claim that every commodity can duplicate or exceed those results. Nor every commodity enjoys the same kinds of opportunities that you enjoy with soybeans. You know what I mean.

The story behind your industry is a prime example of the right commodity in the right place at the right time with the right leadership at its helm.

You also know that some other commodities are being affected by the wrong policies in the wrong places at the wrong time. That's why earlier this month I convened an industry-wide summit conference on long-term food and agricultural policies.

Your own president, B. B. Spratling, was among those who participated. I won't attempt now to give you a full report on that conference, because we've asked each of the participants to do that within their own organization. But I do want to touch upon a few highlights.

First, we didn't resolve all of the issues that impact upon farmers. The fact is, we didn't plan for that to happen.

The summit was not intended to be the time nor the place to debate current farm issues. Rather, we asked those present to think ahead—not in terms of months or even years, but to the long-term future.

What problems can agriculture expect in the decades to come? What should we be doing today—and tomorrow—to head off those problems?

Wrestling with those kinds of questions is not new to you, though. That's the same thing you've been doing in your Project 2002. Having contributed my own thoughts to your Blue Ribbon panel, I'm really looking forward to the results of this two-year study—which are to be announced next month.

We had some lively discussions at our summit conference, as you might guess. One very important point we agreed upon was the critical need for a long term food and agricultural policy—one with the stability to weather political change—as well as the flexibility to bend with the economic times.

There also was agreement that farm policies often have worked at cross purposes with one another. If we are to follow a market-oriented philosophy, then we must coordinate domestic policies with those in the international arena.

As one might expect, there was a consensus that we must continue to put heavy emphasis on developing foreign markets for both traditional and non-traditional products. And in doing so, we must be competitive in the world's marketplace.

Likewise, there was virtually unanimous agreement on the need to educate American consumers on the challenges faced by U.S. agriculture.

Fulfilling these objectives is going to be a tall order. But I'm convinced we can do it.

American agriculture has always been known for its adaptable spirit. But that spirit doesn't thrive by itself.

It takes careful nurturing. It takes a willingness to re-examine old concepts, to experiment with new ideas and to carve out a new path for the future. In some areas, that also will require real statesmanship.

You've had that kind of leadership in the soybean industry throughout the 60-plus years of this association. And, it's going to take more of that kind of leadership—from all segments of agriculture—to generate the kind of dialogue and decision-making that will be needed for the future.

We had another brand of statesmanship surface last week in the completion of negotiations with the Soviet Union on a new long-term grain agreement. I'm extremely pleased with the terms of that agreement. It's a good one for wheat and corn producers—and for soybean farmers, too.

The flexible provisions we included covering soybeans and/or soybean meal certainly should add strength to your marketing opportunities.

What pleases me most, of course, is that we were able to reach agreement and maintain our agricultural trading relationship with the Russians. This will result in increased exports, and continued assurance that the Soviet Union will be a major purchaser of America's farm products.

Turning to other subjects for a few moments, you will be pleased to know that I have created a task force to study the economics of using domestically grown products—like soybean oil—in place of imported strategic materials such as natural rubber and petroleum.

We've known for years how to do this from a technological standpoint. But what we didn't know is whether it could be done at an economic level sufficient to eliminate or reduce our dependency on foreign supplies.

You also will be happy to know that we have a scientific team in Jilin, China—at this very moment—participating in the second U.S.-Chinese Soybean Symposium. Our 25-person team includes representatives of your industry and university scholars who are engaged in soybean research—as well as scientists and other officials from USDA.

One of the highlights of this symposium will be the first formal exchange of soybean germplasm between the United States and China since the normalization of relations between our two countries.

I don't need to tell you how important such an exchange can be to improving U.S. soybean productivity and disease resistance. You already know that Chinese soybeans are eight percent higher in protein than our domestic varieties and you can appreciate what an eight percent increase in protein could mean in the fight against world hunger.

Let me talk about this issue of world hunger for a minute. It's been in the news recently—quite a bit, in fact—and rightfully so. It does present a serious problem—a sad situation—and we must talk about it.

Recently, I headed the American delegation to the ninth ministerial meeting of the World Food Council. This is the highest level policy-oriented body within the food and agricultural network of the United Nations.

The United States shares the Council's commitment to improving the supply of wholesome and nutritious food for consumers in every nation. We also support the Council's efforts to help developing countries design and carry out their own national food sector strategies.

Africa is of special concern. We all know that solving its problems is a lot more complex than simply giving away more food. Storage, transportation and distribution conditions frequently tend to work against our best efforts to deliver food to those who are most in need.

Thus, in Africa, as in other places, we must ensure that our assistance does not undermine agricultural development and that we avoid fostering a dangerous level of dependence instead of self-reliance.

As we strive to obtain world food security, we must increasingly encourage countries to concentrate on using their comparative advantage. By that I mean they should produce what they grow best. When they cannot economically produce certain crops, they should buy those commodities from other nations who can.

By the same token, nations with the technology that developing nations need to enhance their comparative advantage, must be willing to export that technology—just as we have been doing for many years.

I can assure you—just as I reassured my fellow ministers—that the United States will generously share its agricultural technology with food deficit developing countries.

These and related issues will continue to have a strong impact upon our domestic affairs. That's why we need more of your brand of leadership.

Again, let me compliment you on the fine work you have been doing. You're good friends, and from past experience, I know you can be counted upon.

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News Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

PACKER ADMITS BUTCHERING DISEASED, DISABLED LIVESTOCK

WASHINGTON, July 29—Leopold Koppel, president of the Fort Plain Packing Company, Inc., Nelliston, N.Y., has admitted slaughtering or presenting for federal inspection dead, diseased or disabled livestock.

"There is no question that the vast majority of animals slaughtered at the Fort Plain plant were healthy and properly inspected," said L.L. Gast, acting administrator of the U.S. Department of Agriculture's Food Safety and Inspection Service. "But because the occasional violations that occurred are serious, USDA is taking precautionary action to locate all existing products from the Koppel plant to reinspect them and, if necessary, destroy them. All feasible steps to eliminate unwholesome products which may be in human food channels are being taken."

Koppel entered guilty pleas July 28 in U.S. District Court, Syracuse, N.Y., for himself and the plant to conspiracy to defraud the government and conspiracy to feloniously violate the Federal Meat Inspection Act in U.S. District Court in Syracuse, N.Y. The pleas followed investigations by the USDA, the U.S. Attorney's office in Syracuse and a federal grand jury of violations that occurred between November 1979 and April 1983.

Koppel faces a possible maximum penalty of \$10,000 in fines and five years imprisonment, while the plant may be fined a maximum of \$10,000. Sentencing is scheduled for Sept. 19.

Gast said Koppel has admitted that he and his employees, at his direction, committed specific violations, including: processing products made from carcasses of cattle that had died other than by slaughter, slaughtering uninspected cattle, removing internal organs before

inspection, and concealing damaged or inferior carcasses presented for inspection by cutting away abnormalities.

"Koppel has admitted that he was able to carry out these criminal activities by distracting, harrassing, intimidating, obstructing and verbally abusing USDA inspectors," Gast said.

Fort Plain Packing slaughters and bones cattle and veal calves, selling most of its products to processing firms in the United States and Canada, according to Gast. All stock in the plant is owned by Leo Koppel, his wife Lore B. Koppel and his son Paul.

The Food Safety and Inspection Service is responsible for assuring that meat products are wholesome, unadulterated and truthfully labeled.

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USDA ANNOUNCES PROVISIONAL DETAILS FOR 1984 WHEAT PROGRAM

WASHINGTON, July 29—Secretary of Agriculture John R. Block today announced options for the 1984 wheat program, pending program legislation presently under consideration by the Congress.

Block listed general guidelines for next year's program on July 1 which permitted farmers to make preliminary planting decisions and financial commitments for their crop, while the Congress continued deliberations on target price freeze proposals.

"Since legislative action on the proposed target price freeze is now before the U.S. Senate, it is up to the Congress to decide which option they want to choose," Block said. "It is important to get this issue resolved to assist farmers in making their management decisions."

He listed the following 1984 wheat program options:

- If new legislation freezes the target price at \$4.30 per bushel, the acreage reduction requirement will be 25 percent and there will be a payment-in-kind program of 10 to 25 percent for farmers who divert additional land. The payment-in-kind compensation will be 80 percent of the program yield.

- If Congress does not freeze target prices and the target price automatically escalates to \$4.45 per bushel, the acreage reduction requirement will be 30 percent and there will be a payment-in-kind program of 10 to 20 percent for farmers who divert additional land. The payment-in-kind compensation will be 75 percent of the program yield.

Producers participating in the payment-in-kind program and having both reserve and regular loan grain would be required to make their reserve grain available for PIK. Those farmers who have neither will be eligible for participation in the payment-in-kind program by volunteering to harvest for payment-in-kind.

In addition:

- Land taken out of production must be devoted to a conservation use. This land must be acreage that would have been devoted to small grains or row crops in 1984.

- The national average loan and purchase rate will be \$3.30 per bushel. The Food and Agriculture Act of 1981 permits the loan rate to be set at this level since the season's average price for the 1983 crop is expected to be less than 105 percent of current loan rate.

Block said the current loan rate is above market clearing levels and places U.S. producers at a competitive disadvantage in world markets.

"This reduction will begin to restore competitiveness in world markets and send a signal to our export competitors that we will no longer maintain a 'high price umbrella' which allows them to undercut us in the world market," Block said.

#

AGRICULTURE IN THE CLASSROOM PLANNERS MEET IN TWO-DAY SESSION

WASHINGTON, July 29—More than 150 education and agriculture representatives from 35 states plus observers from Canada gathered here July 28 and 29 to discuss their participation in "Agriculture in the Classroom."

The project is a volunteer movement which brings information about the role and importance of agriculture to school children across the country.

"We need to increase public understanding of the most efficient and productive agricultural system in the world," Secretary of Agriculture John R. Block told the group. "The state and national organizations involved in Agriculture in the Classroom are bringing learning materials, teacher training and farm tours to our schools."

Projects across the country include:

- From Iowa, a 5th and 6th grade teaching unit on America and Iowa agriculture.

- From North Dakota, a four-day intensive teacher training tour for elementary and secondary teachers with visits to North Dakota farms and agribusinesses.

- From California, a program to bring farm products and farmers to urban San Francisco and Los Angeles schools.

- From New Jersey, a day-long bus tour and training session for urban and suburban teachers on New Jersey agriculture.

"Nearly 25 states have similar programs in action or in the planning stages," said Block. All living former secretaries of agriculture, 33 governors, many agribusinesses and national organizations and leaders also are lending their support to the project.

The annual meetings help participants form a national focus, exchange ideas and shape the general direction of their efforts in the year ahead. Goals cited by the group for the coming year include: adding to the number of state groups actively working on the program, working with textbook publishers and involving more of the private sector in support of their efforts.

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BLOCK HOPEFUL FOR IMPROVED AGRICULTURAL TRADE WITH CHINA

NASHVILLE, Tenn., Aug. 1—Secretary of Agriculture John R. Block said today the recently-negotiated five-year textile agreement between the U.S. and the Peoples Republic of China should enhance prospects for future agricultural trade between the two nations.

The agreement, concluded July 30, is retroactive to Jan. 1, 1983 and provides for an increase of 2 to 3 percent annually in the level of Chinese textile and apparel sales to the United States.

"We hope the textile trade issue can now be put behind us and that the Chinese will lift their ban on approving import contracts for U.S. cotton and soybeans," Block said. "We also hope they will resume purchases of other U.S. agricultural commodities, particularly wheat."

Block said U.S. shipments of wheat to China slumped sharply the past few months, causing concern among U.S. wheat farmers.

"China has been our largest overseas wheat customer in recent years. We firmly believe it is to our mutual interest that agricultural trade be free from such interference."

The first U.S.-Chinese textile agreement expired Dec. 31, 1982. When a new agreement could not be reached, the United States announced that effective Jan. 15, 1983, Chinese textile imports would be limited to the 1982 level until a new agreement was concluded.

China reacted to this by announcing Jan. 19 that it would approve no further contracts for U.S. cotton, soybeans and chemical fibers for 1983.

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USDA NAMES THREE NEW FOREIGN AGRICULTURAL PERSONNEL

WASHINGTON, Aug. 1—Secretary of Agriculture John R. Block has named new agricultural personnel to the Philippines, the Netherlands and Hong Kong. In their new assignments, the three will be responsible for agricultural reporting, market development and trade policy.

Named to the Philippines is Verle E. Lanier. He succeeds John E. Riesz, who is being reassigned.

In fiscal 1982, the United States exported \$320 million worth of agricultural products to the Philippines, primarily wheat and wheat flour, barley, oats and other grain products.

Lanier has served in a number of posts since he joined the U.S. Department of Agriculture in 1966. His most recent assignment was as agricultural counselor to Egypt. Before that he was deputy assistant administrator for export credits at USDA's Foreign Agricultural Service. Lanier's other overseas assignments have been in Indonesia and the Congo.

Lanier has a bachelor's degree in agricultural economics from Montana State University.

Named to the Netherlands is Rolland E. Anderson, Jr. He succeeds Clancy V. Jean, who is being reassigned.

In fiscal 1982, the United States exported \$3.3 billion worth of agricultural products to the Netherlands, primarily soybeans, corn and oilseed products.

Anderson has served in a number of posts since he joined USDA's Foreign Agricultural Service in 1962. His most recent assignment was as assistant administrator for international trade policy.

He was director of the agency's dairy, livestock and poultry division from 1979 to 1981.

From 1977 to 1979 he served as agricultural counselor in Bonn, West Germany. Anderson also served as agricultural attache to New Zealand from 1970 to 1973.

Anderson is a native of Iona, Minn., and has a bachelor's degree in economics from South Dakota State College.

Named to Hong Kong is Michael L. Humphrey. He succeeds George E. Heslop, who is being reassigned.

In fiscal 1982, the United States exported more than \$403 million worth of agricultural products to Hong Kong, primarily cotton, wheat, wheat flour and corn.

Humphrey's most recent assignment has been as agricultural attache in Moscow. Prior to that he was an agricultural marketing specialist and an agricultural economist for USDA's Foreign Agricultural Service. He joined USDA in 1976.

Humphrey has his master's degree in agricultural economics and bachelor's degrees in American History and Business Administration from West Virginia University, Morgantown.

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USDA RELEASES COST OF FOOD AT HOME FOR JUNE 1983

WASHINGTON, Aug. 1—The U.S. Department of Agriculture today released its monthly update of the weekly cost of food at home for June 1983.

USDA's Human Nutrition Information Service computes the cost of food at home for four food plans—thrifty, low-cost, moderate-cost and liberal.

Isabel Wolf, administrator of the Human Nutrition Information Service, said the plans consist of foods that provide well-balanced meals and snacks for a week.

USDA assumes all food is bought at the store and prepared at home. Costs do not include alcoholic beverages, pet food, soap, cigarettes, paper goods and other nonfood items bought at the store.

"USDA costs are only guides to spending," Wolf said. "Families may spend more or less, depending on such factors as where they buy their food, how carefully they plan and buy, whether some food is produced at home, what foods the family likes and how much food is prepared at home.

"Most families will find the moderate-cost or low-cost plan suitable," she said. "The thrifty plan, which USDA uses to set the coupon allotment in the food stamp program, is for families with less money for food. Families with unlimited resources might use the liberal plan."

Details of the four food plans are described in Home and Garden Bulletin No. 94, "Family Food Budgeting ... for Good Meals and Good Nutrition," which may be purchased for \$2.50 each from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

Cost of Food at Home For A Week in June 1983

	Plans			
	Thrifty Cost	Low- Cost	Moderate-	Liberal
Families:				
Family of 2 (20-54 years)	\$34.50	\$44.50	\$55.90	\$67.00
Family of 2 (55 years and over)	31.20	39.90	49.50	59.00
Family of 4 with preschool children	49.10	62.60	78.10	93.60
Family of 4 with elementary school children	59.20	75.80	95.00	113.70
Individuals in four-person families:				
Children:				
1-2 years	8.00	10.10	12.40	14.80
3-5 years	9.70	12.00	14.90	17.90
6-8 years	12.30	15.70	19.60	23.40
9-11 years	15.50	19.60	24.60	29.40
Females:				
12-19 years	14.60	18.50	23.00	27.40
20-54 years	14.10	18.10	22.50	26.90
55 and over	12.90	16.50	20.30	24.00
Males:				
15-19 years	18.00	22.90	28.70	34.40
20-54 years	17.30	22.40	28.30	34.00
55 and over	15.50	19.80	24.70	29.60

To estimate your family food costs

—For members eating all meals at home—or carried from home—
use the amounts shown.

— For members eating some meals out, deduct 5 percent from the amount five days a week, subtract 25 percent, or one-fourth the cost shown.

— For guests, add 5 percent of the amount shown for the proper age group for each meal.

Costs in the second part of the chart are for individuals in fourperson families. If your family has more or less than four, total the "individual" figures and make these adjustments, because larger families tend to buy and use food more economically than smaller ones:

- For a one-person family, add 20 percent.
- For a two-person family, add 10 percent.
- For a three-person family, add 5 percent.
- For a family of five or six persons, subtract 5 percent.
- For a family of seven or more, subtract 10 percent.

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CCC ANNOUNCES AUGUST LOAN INTEREST RATE OF 10 PERCENT

WASHINGTON, Aug. 1—Commodity and farm storage loans disbursed in August by the U.S. Department of Agriculture's Commodity Credit Corporation will carry a 10 percent interest rate, according to CCC Executive Vice President Everett Rank.

The new rate, up from 9-1/2 percent, reflects the interest rate charged by the U.S. Treasury in August, Rank said.

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USDA SEEKS PUBLIC COMMENTS ON MARINE MAMMAL PROPOSAL

WASHINGTON, Aug. 1—The public has until Aug. 29 to comment on proposed U.S. Department of Agriculture changes in regulations concerned with the humane handling, care, treatment and transportation of marine mammals protected by the Animal Welfare Act.

According to John K. Atwell, deputy administrator for USDA's Animal and Plant Health Inspection Service, the proposed changes affect aquariums, transportation companies, intermediate handlers, zoos, universities, research facilities, circuses and others involved with maintaining captive marine mammals. These include Cetaceans—whales, porpoises and dolphins; Sirenians—dugons and manatees; polar bears; sea otters and Pinnipeds—seals, sealions and walruses.

The proposal clarifies requirements for facility construction and maintenance; structure and design of pools and other enclosures; and space and facilities for marine mammals. Also, standards have been redefined for natural water systems such as tidal basins, bays and estuaries.

Further, the proposal addresses existing variances which are due to expire Sept. 20, 1983, and provides for new variance systems. It outlines how to request an extension or apply for a variance under the revised regulations.

Send written comments to: T.O. Gessel, Director, Regulatory Coordination Staff, APHIS, USDA, Room 728, Federal Building, 6505 Belcrest Rd., Hyattsville, Md. 20782. Comments may be inspected in Room 728 in the Federal Building from 8 a.m. to 4:30 p.m., Monday to Friday, except holidays.

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CHINESE FOREST INSECT SCIENTISTS VISIT U.S. UNDER EXCHANGE PROGRAM

WASHINGTON, Aug. 1—Four scientists from China are on a four-week tour of the United States to study forest insect management. They will get a general understanding of integrated pest management and control in the U.S. and learn about forecasting large-scale outbreaks of pests.

According to Joan S. Wallace, administrator of the U.S. Department of Agriculture's Office of International and Cooperative Development, the scientists are the sixth of 12 exchange teams the Chinese will send to the United States this year. The exchange stems from the agreement of cooperation in science and technology signed by the two nations in 1979. The United States will send 13 exchange teams to China in 1983,

Wallace said. Since 1979, 44 Chinese scientific exchange teams have visited the United States and 45 U.S. teams have visited China.

Wallace said the exchange of scientific and technical information and materials should improve agriculture in both the United States and China.

"Better production, reduced costs, fewer losses from pests, and increased export potential are some of the mutual benefits we can gain from the exchanges," she said.

Three U.S. teams are now in China studying forest genetics and tree improvement, gathering information on the natural enemies of gypsy moths and collecting seeds of forage crops.

Accompanied by USDA Forest Service personnel, the Chinese team will visit Berkeley, Calif., July 30 for a general orientation; the University of California Forestry Field Station, Blodgett, Calif., July 31; the University of California at Berkeley, Aug. 1-2; Oregon State University and the Forest Service at Corvallis, Aug. 3-8; the Forest Service and the University of Idaho at Moscow, Aug. 9-13; the Connecticut Agricultural Experiment Station and the Forest Service at Hamden, Conn., Aug. 14-17; the USDA Animal and Plant Health Inspection Service Laboratory at Otis Air Force Base, Mass., Aug. 18-20; the University of Maine at Orono, Aug. 21-23; and New York City, Aug. 24-25.

#

USDA REOPENS AND REVISES UPLAND COTTON PURCHASE PROGRAM

WASHINGTON, Aug. 2—Beginning Aug. 8, the U.S. Department of Agriculture will offer to acquire 1980, 1981 and 1982-crop upland cotton from farmers who have cotton pledged as collateral for outstanding Commodity Credit Corporation price support loans, Secretary of Agriculture John R. Block said today.

The new purchase program, which is authorized by recent legislation, will allow CCC to acquire cotton to fulfill obligations under the payment-in-kind program, he said.

Farmers with cotton pledged as collateral for a CCC-loan may submit offers to sell their cotton to CCC Aug. 8-24 at the county office of USDA's Agricultural Stabilization and Conservation Service where the loan was obtained. The offer must specify the quantity of cotton the farmer offers to sell to CCC and the number of bales of cotton CCC must pay the farmer as in-kind compensation.

Offers to sell cotton to CCC may be submitted without regard to any maximum bid percentage of the total quantity of cotton offered for sale to CCC. CCC will accept all zero bids.

The factors in determining bid acceptance include the date the bid was offered, the bid percentage, the crop year of cotton offered (1980, 1981 and 1982-crop cotton will be reviewed and evaluated separately) and the quantities needed to satisfy PIK obligations.

Producers who have previously submitted bids to sell 1982-crop cotton to CCC which were accepted under the previous cotton purchase program may submit a new bid, Block said. The new bid will nullify the previous bid.

The previously announced requirement that some producers obtain loans on their 1983 crop cotton production has been suspended, Block said. However, if a sufficient quantity of cotton is not acquired under this cotton purchase program to satisfy PIK obligations, producers may be required to obtain a loan on their 1983 crop production for PIK purposes.

The suspension of the "harvest for PIK" requirement combined with the new purchase program will delay the PIK availability for some producers, since CCC cannot determine how much cotton will be available until after the bids have been evaluated, Block said. The processing of the purchased cotton into CCC inventory will also result in some delay, he said. These delays should not affect producers with whole base bids or producers with sufficient cotton to satisfy PIK from loans, according to Block.

#

USDA ANNOUNCES PRICE SUPPORT FOR EIGHT KINDS OF TOBACCO

WASHINGTON, Aug. 2—The U.S. Department of Agriculture today issued 1983 price support levels for eight kinds of tobacco that are unchanged from 1982 levels.

According to Everett Rank, administrator of USDA's Agricultural Stabilization and Conservation Service, support levels for all tobacco will be unchanged from 1982 levels, as required by the Tobacco Price Support Stabilization Act of 1983, signed July 25 by President Reagan.

That law also provides that price supports be made available for those kinds of tobacco for which producers have approved marketing quotas, he said.

The levels for the eight 1983-crop tobaccos are as follows:

1983 Average Support Level

<i>Kind</i>	<i>1983 Average Support Level</i>
Burley	\$1.751
Dark air-cured (types 35-36)	\$1.057
Fire-cured (type 21)	\$1.188
Fire-cured (types 22-23)	\$1.23
Puerto Rican (type 46)	\$0.909
Sun-cured (type 37)	\$1.094
Cigar binder (51-52)	\$1.212
Cigar binder & filler (types 42-44, 53-55)	\$0.907

USDA recently announced the support level for 1983-crop flue-cured tobacco at \$1.699 per pound.

"This legislation will help insure the successful operation of the tobacco program at no net cost to the taxpayer," said Rank. As in the

past, USDA will set individual grade loan rates and grower contributions to the no-net-cost funds or accounts, before the marketing season begins.

#

USDA ISSUES PRELIMINARY LOAN AND PURCHASE RATE FOR 1983-CROP SOYBEANS

WASHINGTON, Aug. 2—The U.S. Department of Agriculture today issued a preliminary loan and purchase rate of \$5.02 per bushel for 1983-crop soybeans, the minimum permitted by law and unchanged from 1982.

According to Everett Rank, administrator of USDA's Agricultural Stabilization and Conservation Service, the loan rate is set by law at 75 percent of the simple average price received by farmers during the past five years, excluding the high and low years. That law also requires USDA to issue a preliminary loan and purchase rate not earlier than 30 days before Sept. 1, the beginning of the soybean marketing year.

Rank said USDA would issue a final 1983 soybean loan and purchase rate no later than Oct. 1, by which time USDA will have final figures on prices received by farmers for the 1982 crop.

Rank said all producers of 1983-crop soybeans will be eligible for loans and purchases since USDA does not require participation in production adjustment programs as a condition of eligibility for soybean farmers.

Soybeans are ineligible for any reserve program or for storage payments, Rank said.

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BLOCK TO MEET WITH AGRICULTURAL LEADERS IN LATIN AMERICA

WASHINGTON, Aug. 3—Secretary of Agriculture John R. Block will visit five Latin American countries Aug. 5 - 15 to promote U.S. agricultural products and to discuss agriculture and agricultural trade matters.

The countries are Guatemala, El Salvador, Venezuela, Brazil and Argentina. Block will meet with government officials and representatives of business and farm organizations and visit farms and agricultural research facilities.

He will be accompanied by officials from the U.S. Department of Agriculture and other U.S. government agencies and representatives of agricultural export development organizations and agribusiness firms.

"Our market promotion efforts today will ensure a more active trading partnership between the United States and Latin America in the future," Block said. "Agricultural trade provides an important link that is of mutual benefit to all of us."

In Guatemala, Block will visit a Mediterranean fruit fly laboratory and discuss the role of U.S. trade and technical assistance to that country. In Venezuela, he will tour farms in the Andean region.

While in Brazil, Block will visit a soybean cooperative and an agricultural research center where he will sign a U.S.-Brazilian science and technology exchange agreement. He is also scheduled to visit coffee farms, citrus orchards and sugar cane producing areas. In Argentina, Block will attend an international agricultural livestock and industry show and visit a ranch in Buenos Aires province.

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USDA INCREASES MILK DEDUCTION 50 CENTS

WASHINGTON, Aug. 3—Secretary of Agriculture John R. Block today announced the U.S. Department of Agriculture will increase the deduction from proceeds of sale of all milk sold commercially Sept. 1, 1983 through Sept. 30, 1984 by 50 cents to a total of \$1 per hundredweight. Deductions will be remitted to USDA's Commodity Credit Corporation to help offset the cost of the milk support program, he said.

Producers who reduce their commercial milk marketings for Sept. 1, 1983 through Sept. 30, 1984 (the last month of the 1982-83 marketing year and the whole 1983-84 marketing year) by 8.4 percent from the average of the two marketing years that began Oct. 1, 1980 will receive refunds of the second 50 cent deduction.

Block also announced that the price support level for manufacturing grade milk (3.67 percent average fat content) will continue at \$13.10 per hundredweight for the marketing year beginning Oct. 1, the minimum level of support authorized by law.

Both the deductions and the minimum support price level are authorized by last year's amendment to the Agriculture Act of 1949. These actions have been taken to reduce milk production and to reduce costs of the dairy price support program, according to Block.

CCC is authorized to deduct 50 cents if the government expects to purchase annually in excess of 5 billion pounds (milk equivalent) of dairy products. An additional 50-cent deduction is authorized if government dairy purchases annually are expected to exceed 7.5 billion pounds and there is a refund program in place. CCC expects to purchase more than 16 billion pounds of dairy products in the year ending Sept. 30 and more than 11 billion pounds during the 1983-84 marketing year.

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USDA RECOGNIZES CHILE AS FREE OF FOOT-AND-MOUTH DISEASE

WASHINGTON, Aug. 3—The U.S. Department of Agriculture has added Chile to the list of countries USDA considers free of foot-and-mouth disease, a highly contagious and destructive disease of cloven-hooved livestock.

John K. Atwell, deputy administrator of USDA's Animal and Plant Health Inspection Service, said Chile was recognized as free after USDA veterinary officials examined that nation's animal health records and regulations.

"All of the evidence shows that Chile has eliminated foot-and-mouth disease within its borders and has adopted satisfactory precautions to prevent its introduction from other countries," Atwell said.

Atwell said the action makes Chile eligible to export certain meats and livestock under restricted conditions to the United States subject to meeting U.S. meat inspection standards.

Atwell said limitations are placed on Chilean meat imports, however, because Chile is in a special category of countries, which though free of the disease, present a greater danger because they supplement their nation's meat supply with imports from infected countries and have a common land border with these countries.

Meat imported from Chile must be certified to be of Chilean origin and slaughtered and processed separate and apart from any animals or meat products from an infected country.

As a technical point, the USDA action also recognizes Chile as free of rinderpest. This highly destructive cattle disease does not occur in South America.

Other countries USDA recognizes as free of both foot-and-mouth disease and rinderpest include all countries in North and Central America, Panama, most Caribbean Island countries, the Bahamas, Bermuda, Ireland, the United Kingdom, Norway, Sweden, Finland, Japan, Australia, New Zealand and the Trust Territory of the Pacific Islands.

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USDA PROPOSES CHANGES IN LAWN SEED REGULATIONS; SETS HEARING

WASHINGTON, Aug. 3—The U.S. Department of Agriculture today proposed changes in Federal Seed Act regulations for lawn and turf seed mixture that would allow longer periods between germination tests and shipment of certain seed.

A hearing on the proposal is scheduled for Tuesday, Aug. 30, in room 2096-S, of the USDA's South Building, Washington, D.C.

Thomas H. Porter, an official with USDA's Agricultural Marketing Service, said the proposed revision would bring the regulations into line with changes made in the Federal Seed Act last January. The act is a truth-in-labeling law to protect farmers and consumers who buy seed.

The proposal would require labeling that lists each component of a seed mixture in order of predominance. It would eliminate the requirement that lawn and turf seed mixtures shipped in 50-pound or smaller containers be labeled either fine-textured or coarse-kinds. Because of the development of improved varieties of grass seed, Porter

said, it has become virtually impossible to distinguish between these categories.

Only the month and year of the oldest test date among the component tests would be required on the seed label.

Porter said the proposed time allowed between germination tests and shipment of seed would be extended from five to 15 months for certain lawn and turf seed because current information indicates that these grasses maintain germination qualities beyond 15 months.

The proposed changes apply to Bentgrass, Kentucky Bluegrass, Chewings fescue, Hard fescue, Red fescue, Tall fescue, annual ryegrass and perennial ryegrass.

The hearing on the proposal will begin at 9 a.m. People who want to appear at the hearing to present oral or written views may do so. Written comments must be received by Oct. 4.

Further information on the proposal, which is scheduled to be published in the Aug. 4 Federal Register, can be obtained from Donald W. Ator, rm. 2603-S, AMS, USDA, Washington, D.C., 20250. Phone; (202) 447-9340.

Comments should be sent in duplicate to the Hearing Clerk, USDA, rm. 1077-S, Washington, D.C. 20250, where anyone may see them.

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USDA PROPOSES NEW REGULATIONS FOR SEED INSPECTION AND CERTIFICATION

WASHINGTON, Aug. 3—The public has until Oct. 4 to comment on a U.S. Department of Agriculture proposal to change regulations for the inspection and certification of the quality of agricultural and vegetable seed.

Thomas H. Porter, an official with USDA's Agricultural Marketing Service, said the proposal authorizes a new system of lot inspection in which official sampling and sealing can be done by cooperating states. It also would allow a \$10.20 increase in fees charged for inspection and certification of seed.

Porter said the inspection and certification program is conducted under the Agricultural Marketing Act on a voluntary, fee-for-service basis and fees equal to operating costs must be collected for the service.

Porter said the increase in fees to \$23.40 is necessary to meet today's operating costs. The current fee of \$13.20 was established in 1974.

The new system of lot inspection is an effort to provide this service at the lowest cost possible. Actual testing of the seed still would be done at AMS' Federal Seed Laboratory in Beltsville, Md.

The proposal simplifies the regulations by removing cross references to other regulations, Porter said, and therefore should be easier for the public to use.

Many of the provisions contained in the proposal are similar to those in existing regulations, he said.

The proposal will be published in the Aug. 4 Federal Register. Comments should be sent to Donald W. Ator, chief, Seed Branch, rm. 2603-S, LMG&S, AMS, USDA, Washington, D.C. 20250. Phone: (202) 447-9340.

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LITTLE CHANGE REPORTED IN SOIL EROSION RATE SINCE 1977

WASHINGTON, Aug. 3—Average erosion on America's cropland apparently has changed little since 1977, Peter C. Myers, chief of the U.S. Department of Agriculture's Soil Conservation Service, said today.

Preliminary data from the agency's 1982 National Resources Inventory show that the average annual rate of sheet and rill erosion on cultivated cropland in the U.S. last summer was 4.8 tons per acre, down from 5 tons per acre estimated during a similar inventory in 1977.

Jerry S. Lee, resources inventory director for the agency, characterized the change as "insignificant." He added that final data from the inventory, including state-by-state data, are expected this fall.

Other preliminary data from the 1982 inventory show that 31 percent of the nation's nonfederal rangeland was in excellent or good ecological condition and 61 percent was in fair or poor condition. About 8 percent of the rangeland has been seeded to non-native grass species and therefore was not classified as to condition.

Lee said these data are the first national statistics on range condition that were collected using national inventory sampling techniques. They show little change from 1977 conditions but represent a significant improvement from conditions recorded in an extensive study conducted in 1963.

For the 1982 inventory, USDA soil conservationists and other trained specialists recorded resource conditions at 1 million sample points across the nation. The Iowa State University Statistical Laboratory is compiling and processing the data.

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RESERVE IV FARMER-OWNED GRAIN SORGHUM IS RELEASED

WASHINGTON, Aug. 3—Grain sorghum placed in the farmer-owned reserve from Oct. 6, 1981, through June 30, 1982, was released for redemption, effective immediately, by Everett Rank, executive vice president of the U.S. Department of Agriculture's Commodity Credit Corporation.

The released sorghum is in farmer-owned reserve IV. Rank said this means farmers now may sell—but are not required to sell—their reserve sorghum after repaying their CCC price support loans. However, he said, farmers may not repay reserve sorghum loans that are needed for their payment-in-kind entitlement.

The reason for today's action, he said, was that the national average price received by farmers for sorghum had reached the \$5.36 per hundredweight release level.

Current USDA activity reports show 114.7 million hundredweight of sorghum in reserve IV. However, a substantial quantity of this sorghum has been designated for the payment-in-kind program or sold to CCC under the PIK acquisition program and therefore will not be available for immediate redemption.

USDA makes storage payments to farmers with grain in the reserve. Upon repayment of the loan, farmers can keep the storage payments earned through the date of repayment.

Release of reserve IV sorghum will continue through Sept. 30, Rank said. If the five-day national average market price remains at or above \$5.36 on Oct. 1, storage earnings will stop and interest on the price support loan will begin to accrue for sorghum that has been in the reserve for more than one year. Interest already is accruing on loans for sorghum that has been in reserve less than one year.

If the Oct. 1 price falls below \$5.36, reserve IV sorghum no longer will be in release status and farmers will continue earning storage payments.

Data used by CCC in determining the release level include five-day moving average prices—as reported by USDA's Agricultural Marketing Service — which show prices bid by buyers at selected markets, and a month-end report of prices received by farmers issued by USDA's Statistical Reporting Service. This report shows the previous month's average price and the current mid-month price.

The two daily sorghum markets CCC reviews are Kansas City and Texas High Plains. The five-day average of these market prices, adjusted to reflect prices received by farmers, was the basis for today's action.

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ADDITIONAL SURPLUS COMMODITIES TO BE MADE AVAILABLE

WASHINGTON, Aug. 3—Secretary of Agriculture John R. Block today announced commodity distribution revisions which make available to states an increased amount of bulk Cheddar cheese and increased amounts of processed cheese, non-fat dry milk, corn meal, honey and butter for household use.

"I have directed that steps be taken immediately to increase the processing capacity so that the additional commodities can reach the recipients as quickly as possible," Block said. "We will make available to needy people all of the commodities that can be properly processed."

To assure that sufficient commodities reach those in need, states will establish criteria to limit distribution to these persons who lack sufficient resources to provide for themselves. It is expected that states

will develop standards to target this assistance, and USDA will monitor these state plans.

"It's important that we continue looking for new and creative ways to distribute the bulk commodities which are in government storage," Block said. "There is no reason why a single needy family should find itself without access to federal food assistance."

The food stamp program is the major USDA program for feeding the needy. Food assistance is also provided in the school lunch and breakfast programs, the special supplemental food program for women, infants and children, among others. About 34 percent more is spent on federal food assistance today than in 1980.

"Besides these programs we began distributing surplus dairy commodities in late 1981," Block said. "We have since added some grain commodities to this household distribution effort. Keep in mind, these distributions are temporary, emergency efforts to augment the government's feeding programs while the need exists and while we have some surplus commodities available."

The revisions also provide an opportunity for states not receiving adequate processed cheese to meet the needs of eligible people. In those cases, USDA will make available to the states as much bulk Cheddar cheese as they can effectively use without waste, and allow them to contract with local firms for processing. Local and state health standards must be met and packaging must be for household distribution.

To ensure effective program distribution and management, Block said he supports continued administrative funding for states and local organizations.

The household distribution program—the first since 1962—began in December of 1981. More than 700 million pounds of commodities representing \$1 billion in expenditures have been distributed to needy persons.

The revisions are in addition to other commodity distributions to benefit schools and institutions. USDA will continue providing unlimited surplus commodities for institutional use, such as for schools and soup kitchens.

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USDA ISSUES SEVEN PLANT VARIETY PROTECTION CERTIFICATES

WASHINGTON, Aug. 4—The U.S. Department of Agriculture has issued certificates of protection for new varieties of corn, lettuce, soybean and broccoli raab.

Broccoli raab is a vegetable similar to wild mustard and is known on the West Coast by its Italian name, rapini. Both head and leaves can be eaten.

Thomas H. Porter, an official with USDA's Agricultural Marketing Service here, said developers of the new varieties will have the exclusive right to reproduce their products in the United States for 18 years. Certificates of protection are granted after a review of the breeders' records and claims that each new variety is novel, uniform and stable.

The newly protected corn varieties are LH74 and LH119, developed by Holden's Foundation Seeds, Inc., Williamsburg, Iowa. Also protected was FM 8248 lettuce, developed by Ferry-Morse Seed Co., Mountain View, Calif.; and D'Arrigo No. 905 broccoli raab, developed by D'Arrigo Bros. Co. of California, Salinas, Calif.

Soybean varieties protected are 90339-30435 and 60524-30575 owned by Midwest Oilseeds, Inc., Adel, Iowa, and 1082 owned by Pioneer Hi-Bred International, Inc., Des Moines, Iowa.

A certificate was reissued for Cascot L-7 cotton developed by the Custom Ag Service, Inc., Loraine, Texas. Cascot L-7 seed may be sold by variety name only as a class of certified seed.

The plant variety protection program is administered by the Agricultural Marketing Service and provides marketing protection to developers of new and distinctive seed-reproduced plants ranging from farm crops to flowers.

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USDA PROPOSES TO REVISE REQUIREMENTS FOR PET FOOD

WASHINGTON, Aug. 4—The U.S. Department of Agriculture today proposed giving producers greater flexibility in labeling pet food containing meat or poultry while retaining controls to prevent such products being mistaken for human food.

"Current labeling practices have raised concern with USDA officials that consumers might confuse pet food with food intended for humans," said Donald L. Houston, administrator of USDA's Food Safety and Inspection Service. "The proposal should encourage clearer pet food labeling."

The proposal expands the options for labeling retail-packaged pet foods containing meat or poultry. For example, illustrations depicting the animal for which the food is intended would partially satisfy requirements that it be clear the product is not intended for human food. This would allow pet food manufacturers more flexibility while continuing to assure the products are conspicuously labeled as pet food.

In addition, USDA is proposing expanding current exemptions from denaturing for pet food. USDA requires that denaturing agents such as bone, charcoal and non-toxic dyes be added to meat and poultry not intended for human consumption to assure it does not resemble edible food. Exemptions from denaturing are allowed, however, for meat used in retail-packaged pet foods that are appropriately packaged and conspicuously labeled as pet food, that contain less than 5 percent livestock parts or products, or consist solely of processed livestock by-products that do not resemble edible meat.

"To provide consistent regulation of pet foods, USDA is proposing that the current exemptions from denaturing for pet food prepared from livestock be extended to that containing poultry," said Houston.

Federal inspection laws require USDA to regulate the transportation in commerce of meat and poultry capable of being used as human food. The Food and Drug Administration has primary authority for regulating the production of pet food.

A notice of the proposal is scheduled to be published in the Aug. 5 Federal Register, available at many public libraries. Comments should be sent by Oct. 4 to: Annie Johnson, Regulations Office, Room 2637-S, FSIS, USDA, Washington, D.C. 20250.

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SECRETARY BLOCK STRESSES ECONOMIC TIES WITH GUATEMALA, ANNOUNCES CREDIT PLANS

GUATEMALA CITY, GUATEMALA, Aug. 5—Secretary of Agriculture John R. Block arrived here today on the first stop of a 10-day trip to promote U.S. agricultural exports. While here, he will meet with President Rios Montt and Minister of Agriculture Leopoldo Sandoval to discuss Guatemala's import needs and U.S. food assistance programs.

"The United States and Guatemala have a long history of excellent relations, particularly in agricultural trade," Block said on arrival. "We intend to strengthen these ties. For fiscal 1984, \$50 million in credit guarantees to Guatemala have been approved under our Commodity Credit Corporation GSM-102 program for imports of vegetable oil, wheat, tallow, oilseeds and soybean meal, breeding chicks, planting seeds and meat and bone meal.

"We also have allocated \$7 million in Title I Public Law 480 funds for use by Guatemala in the purchase of vegetable oil," said Block.

"The United States has been and will continue to be a major market for Guatemala's agricultural exports, which are very important to its efforts to expand agricultural production and improve the economy.

"In addition, through the Caribbean Basin Initiative, we are offering technical assistance and the expertise of some of our own agribusiness leaders to help Guatemalan agriculture become even more successful," said Block.

"I have appointed several American agricultural leaders to an Agribusiness Promotion Council charged with encouraging private investment in Caribbean Basin agriculture. A committee of the Council is working with Guatemala," said Block.

Later today, Block will attend dedication ceremonies for the Medfly research center in Villa Nueva. "This center is a fine example of the cooperation between our countries to control this agricultural pest," he said.

U.S. agricultural imports from Guatemala in 1982 were \$237 million, primarily coffee, bananas and sugar. U.S. farm exports to Guatemala in 1982 were \$68 million, mostly wheat, tallow and cottonseed oil.

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